



State of Kansas

Direct Bill

Health Care Commission

2nd Quarter, July 2006

State Health Plan Continuation Program

Retiree Health Plan Educational Tour

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During the month of June, State of Kansas Benefits staff accompanied by representatives from Blue Cross Blue Shield and Coventry Health Care, traveled to eight sites throughout the State presenting information to retirees (especially those on Medicare) on how to prepare their health plan choices prior to the open enrollment period this fall. Emphasis was placed on how to make informed health plan choices now that the Medicare Part D prescription drug plan is in place.

Providing education to our family of retirees prior to open enrollment is a new approach we hope will clarify health plan choices and save seniors money. In addition, Benefits Confirmation Statements will be sent to retirees on October 1, 2006 so that current plan choices may be reviewed prior to open enrollment. These statements will be sent again in December 2006 so that choices may be verified after open enrollment.

What to Consider

There are many things to consider in making a health plan choice. Among these are knowing your

medical needs and assembling the records necessary to enable you or your designated representative to make the choices that best meet those needs. Some factors to consider are: physician, hospital, and pharmacy preferences; the prescription medications you now use; and whether generic medications exist for the medications you use. Other considerations may involve your retirement lifestyle plans such as travel, and permanent or seasonal moves. Retirees who attended the educational presentations were provided with materials to assist them in evaluating their available options. Doing research during the summer will prepare them to make informed decisions during Open Enrollment.

Know the Real cost of Your Options

It is important to realize that the **premiums** you pay for a particular plan are a *fixed* cost, and the deductibles, coinsurances, and co-pays are *variable* or **out of pocket costs** that are entirely dependent on the services you use. How do the annual true out of pocket costs of the health plans available to State of Kansas retirees compare?

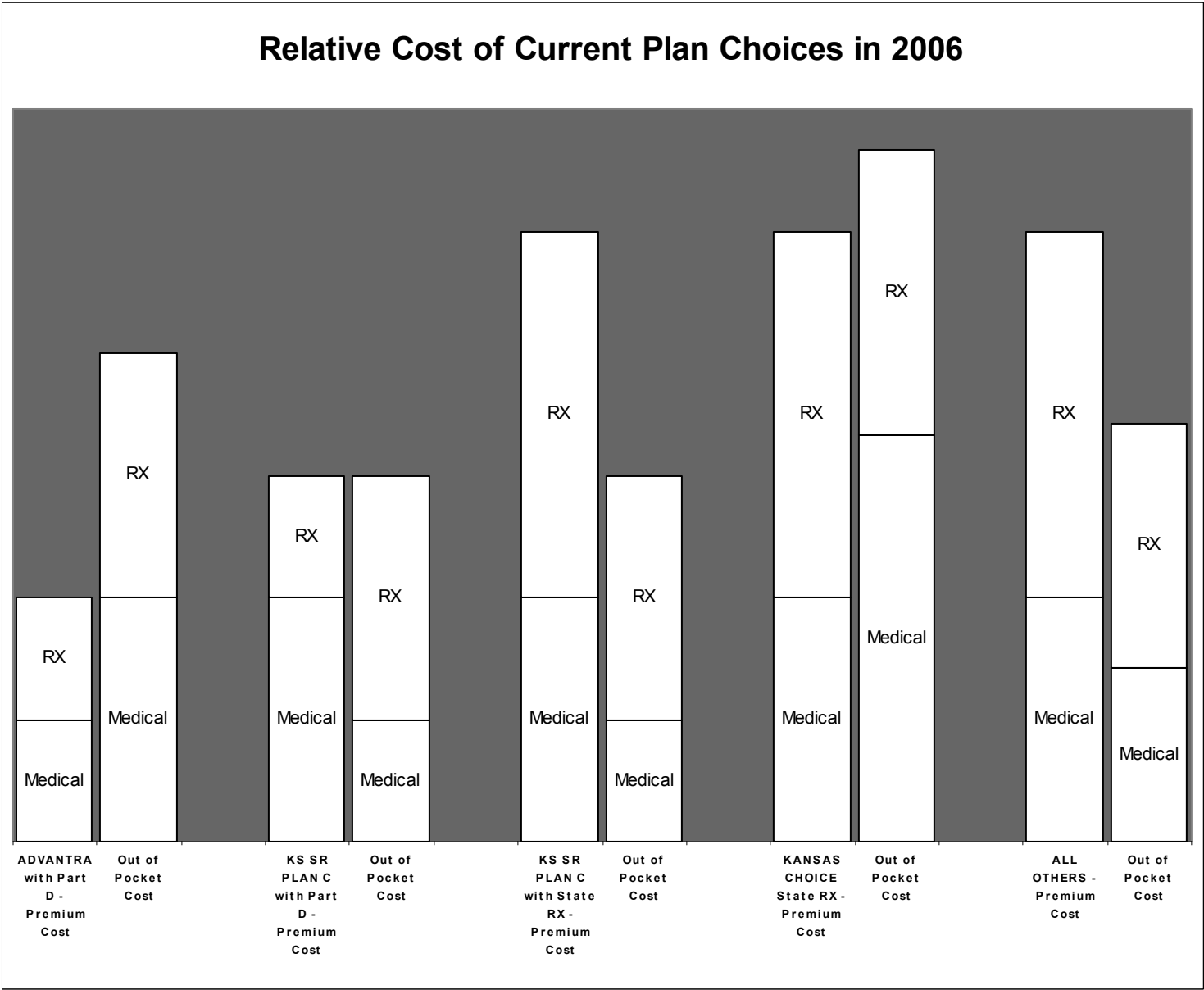
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Retiree Health Plan Educational Tour (continued)

Are there ways you can save money by switching to other medical or prescription drug plans?

Many remember the confusion regarding Part D choices experienced during last year’s open enrollment, and may have avoided this confusion by continuing with the more expensive State prescription drug coverage. According to latest reports from the U.S. Department of Health and Human Services, over 38 million seniors or 90% of people on Medicare are enrolled in a Part D prescription drug plan, paying an average premium of less than \$24 per month.

The following graph illustrates how the fixed premium and variable out of pocket costs compare for the plans that are available to you, including costs of prescription drugs. For each plan, the fixed cost or premium



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Retiree Health Plan Educational Tour (continued)

(including the portion for prescription drugs) is indicated on the left, and the out of pocket costs are indicated on the right. For this, it is easy to see that the Advantra Freedom and Kansas Senior Plan C with Medicare Part D are lower cost options than any of the options that include the State prescription drug plan. This is especially true for Kansas Choice which for the Medicare eligible, has a high premium cost and the highest out of pocket cost of all. State health plans like HMOs and Kansas Choice are more expensive options because they are designed for active employees not retirees, and are not designed to take advantage of federal Part D funds. Health Benefits staff are currently evaluating opportunities to add or enhance plan options to take advantage of Part D funding.

Evaluate Your Current Plan Choices

Because we often cannot foresee changes in our health status, it is important to maintain regularly scheduled visits to the doctor, take notice of medical advice, and evaluate the effectiveness of our medical and prescription drug requirements changed during

the year. Are there other factors such as a change in physician or health status that create a need for something different? If so, you will be able to make changes during the next open enrollment period. For the 2007 Plan Year, the Direct Bill Open Enrollment period will be from November 1 through November 30, 2006. The Medicare Part D Open enrollment will be from November 15 through December 31, 2006.

Where Can I Get Help?

Resources that can help in making the right choice for health insurance coverage include:

Medicare.gov website

- 1-800-MEDICARE
- Kansas Insurance Department (<http://www.ksinsurance.org>)
 - Medicare Shopper's Guide
- Department on Aging
 - Senior Health Insurance Counseling for Kansas (SHICK)
- Open Enrollment Material

A Cost Effective Health Plan

If you are eligible for Medicare Parts A and B, you need to learn about Coventry Advantra Freedom PPO (Preferred Provider Organization) plan that is now available to State of Kansas retirees. Advantra Freedom is only available to people with Medicare. The Advantra Freedom plan takes advantage of special Medicare provisions to offer

you more benefits than traditional Medicare coverage (and many Medigap/supplements) for premiums that are significantly lower than the other offerings available to you.

Simply stated, Coventry Advantra Freedom is a PPO plan. That means

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of Administration;
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Staton, public
representative.

A Cost Effective Health Plan (continued)

you have the freedom to seek care from any physician without a referral. You'll enjoy the highest level of benefit from your health plan if you see doctors who are part of the Coventry PPO network.

Coventry Advantra is a Medicare Part C Advantage program for people who have Medicare Part A and Part B. Coventry Advantra contracts directly with Medicare to offer the Advantra health plans to Medicare beneficiaries. Coventry Advantra is required to meet all Medicare Part C regulations and requirements. As a Medicare contractor, Coventry Advantra receives funding from Medicare to care for each Medicare beneficiary who enrolls in Advantra. The funding that Coventry Advantra receives allows them to offer products that have more benefits than traditional Medicare for premiums that are significantly lower than Medigap policies or individual health policies.

Why Should I Choose Coventry Advantra?

The Advantra Freedom PPO plan provides you with full medical *and* prescription drug benefits and the State of Kansas dental plan for \$68.50 per month. This rate is good through December 31, 2006.

Advantra Freedom offers more benefits than traditional Medicare and many Medigap/supplement plans. For example:

- Advantra covers unlimited hospital days.

- Advantra covers preventive care services such as colonoscopy screenings, mammograms, pap smears, bone mass measurements, routine physicals, prostate screenings, and immunizations for **NO** copayments, coinsurance, or deductibles.
- Advantra covers vision and hearing exams.
- Advantra provides disease and case management programs that help our members navigate the health care system when they are sick. Nurses also ensure that our members receive the right care at the right time.
- The Advantra prescription drug coverage meets all the requirements of Medicare's new prescription drug program and includes coverage for brand name drugs. When you enroll in Advantra, you do not need to select an additional Medicare drug plan.
- Advantra limits the total out of pocket cost that an Advantra member will pay for health care services. This maximum out of pocket protection is not available under traditional Medicare or Medigap plans.

Who Can Enroll?

The Coventry Advantra Freedom PPO is only available to State of Kansas retirees who meet the following requirements:

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Watch the Direct Bill website, <http://da.state.ks.us/hcc/direct.htm> for the Direct Bill Open Enrollment meeting schedule . The schedule will be posted as soon as it is available.

A Cost Effective Health Plan (continued)

- You must have Medicare Parts A and B.
- You must live in one of the following counties: (Kansas) Atchison, Brown, Butler, Cherokee, Crawford, Douglas, Harvey, Jackson, Johnson, Labette, Leavenworth, Linn, Marshall, Miami, Nemaha, Pottawatomie, Riley, Sedgwick, Shawnee, Wyandotte; (Missouri) Caldwell, Cass, Clay, Clinton, Jackson, Jasper, Lafayette, Platte, Ray.
- You cannot have End Stage Renal Disease (ESRD).

Who Is Coventry?

Coventry Health Care of Kansas, Inc. is a local company backed by national resources. Locally, Coventry has been caring for people in Kansas and Missouri for 17 years. Nationally, Coventry Health Care is a Fortune 500 company that serves over 3.7 million people across the nation.

For more information about the Coventry Advantra Freedom PPO plan, contact Coventry toll-free at 1-800-727-9712.

Don't Sign It Just Because Your Doctor Tells You To.....

Sometimes your doctor may request you sign an agreement to have a medical procedure that isn't covered by your health insurance. If you sign, you are agreeing to pay the entire cost of the procedure yourself. So, read the fine print and make sure you understand what you are agreeing to. You are within your rights to question the medical necessity of the procedure and

ask the doctor for an alternative that your health insurance covers. For example, is an Magnetic Resonance Angiography (MRI) necessary when a simple x-ray will provide the same result? It is perfectly all right for you to alter the piece of paper you sign, by saying you will agree to pay only for those charges that are authorized in accordance with your health plan.



www.medicare.gov • 1-800-MEDICARE (1-800-633-4227)

MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions

Q: So May 15 has come and gone for initial enrollment into a Medicare Prescription Drug Plan. How many Medicare beneficiaries now have prescription drug coverage?

A: The Centers for Medicare and Medicaid Services, CMS, saw a last minute surge with more than 2 million people signed up for a Medicare

prescription drug coverage plan since May 1. As a result, about 38.2 million Medicare beneficiaries now have drug coverage - that's over 90 percent of all beneficiaries. The surge in enrollment in Medicare's prescription drug program, which included many beneficiaries with good health status, is helping keep the cost of drug coverage down.

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Building Better Health for Seniors

Being Active: Are You Reaping the Benefits?



Many experts agree that regular physical activity, or being active, is an important part of living. Everyone can benefit from regular physical activity. This is especially true for seniors.

Being active on a regular basis can play an important role in keeping you strong and helping you feel well - both physically and emotionally. It also helps strengthen your muscles so you can continue to do the things you like to do. Being active can help lessen the pain and swelling caused by arthritis. It may also help lower your blood pressure and cholesterol numbers.

There are four types of physical activity. They are (1) aerobic activity, (2) strength training, (3) balance and (4) flexibility.

Aerobic activity helps to keep the heart strong, lower blood pressure and improve mood. Examples of aerobic activity are walking, dancing and gardening.

Strength training helps to keep your muscles and bones strong. Examples of strength training activities are lifting weights and carrying laundry or groceries.

Balance, along with strength training, can help reduce the risk of falling. An example of a balance activity is standing up from a sitting position without using your hands or arms to help. Another balance activity is standing on one foot without holding on to something for support.

Flexibility helps your joints and muscles move more easily. This type of activity can also help reduce joint pain. Examples include stretching, yoga and tai chi.

Doing a mixture of these activities on a regular basis can help you feel better and enjoy life more. Talk to your doctor about what activities are right for you before starting a new activity.

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Kansas State Employees
Health Care Commission:



Ask An Expert

Question:

My doctor says I need to have surgery. How do I know if this is the best option for me?



Answer:

Many people have a hard time making a decision about surgery. By asking questions, you can gather more information to help you through this

process. Begin by asking **why you need surgery**. Is it to fix or find a problem? Ask your doctor to **explain how the surgery will be done**. How long will it take? Will I need anesthesia? Where will the incision, or cut in the skin, be and how big? Ask about the **benefits and possible risks** of the surgery. How will the surgery make me feel better? What are the side effects of the surgery? Find out about **other options** besides surgery. Are medicines and other treatments available? If yes, what are the benefits and risks? Ask about **a second opinion**. Seeking the advice of another doctor is a good way to see if surgery is the best choice. Finally, ask about **recovery time**. How many days will I be in the hospital or off work? Will there be certain things I cannot do after surgery, such as lifting heavy items or driving a car?

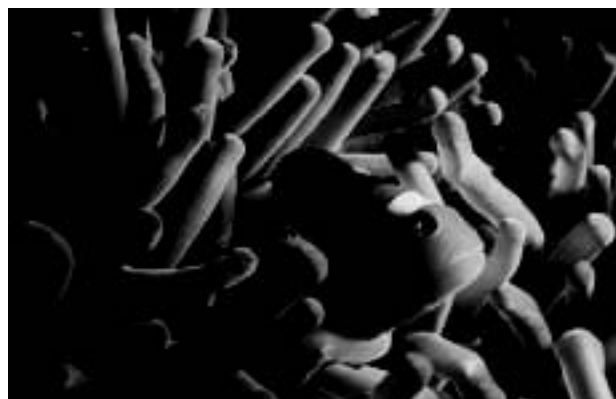
For more information on this topic, please visit the following Web site:

Agency for Healthcare Research and Quality
<http://www.ahrq.gov>

Research Highlights

Future Medicines

Some scientists are looking for new ways to make medicines. Many of the medicines used today are made from chemicals or cells found in plants and animals. Others are made from creatures that are so tiny they can only be seen through a microscope. Examples of these tiny creatures are bacteria and viruses.



Now scientists are studying new kinds of plants and tiny creatures that are found in the ocean and some forests. For example, scientists from Georgia are studying coral reef plants and bacteria in the ocean. They want to see if the plants and bacteria can be used to treat cancer and certain kinds of infections. Other scientists want to see if these new plants and tiny creatures can be used to treat diseases that affect the nervous system. Examples are Alzheimer's disease and Parkinsons disease.

Generic Medicine Update



Generic medicines have the same active ingredients, dosage form and strength as brand name medicines. They meet the same quality standards and are safe and effective.

On average, Caremark plan participants save 60 percent when they fill their prescriptions with generics instead of brand name medicines. Why do they cost less? Because companies that make them save on the cost of research and development which was performed by the company that produced the brand name medicine. They pass the savings on to you. You may have a lower co-pay for a generic medicine. Talk to your doctor or pharmacist about changing to a generic medicine.

Brand Name	Generic Name	What It May Be Used For
Arava®	leflunomide	Rheumatoid arthritis
Climara®	estradiol skin patch	Menopause, osteoporosis
Duragesic®	fentanyl skin patch	Long-lasting pain
Sinemet®	carbidopa and levodopa	Parkinson's disease
Ultracet®	tramadol and acetaminophen	Short-term pain

This table contains prescription brand name drugs that are registered or trademarks of pharmaceutical manufacturers that are not affiliated with Caremark.

Co-payment, co-insurance or co-pay means the amount a plan participant is required to pay for a prescription in accordance with a Plan, which may be a deductible, a percentage of the prescription price, a fixed amount or other charge, with the balance, if any, paid by the Plan.

Staying Healthy

Know Your Medicines

Many people take medicines. That is why it is important to know about the medicines you are taking. Asking the right questions can help make sure you are taking each of your medicines the correct way. This is an important part of staying healthy.

Before you can start asking questions, make certain that your doctor and pharmacist know all the medicines you are taking. This includes over-the-counter medicines, like acetaminophen, vitamins and herbal products. Make sure that they know about any prescription medicines from other doctors. Keep a list of your medicines in your wallet. This will help you remember the medicines you are taking. It is also important to tell your doctor and pharmacist about allergies you have to medicines.

Write down your questions ahead of time, and bring them with you to the pharmacy and doctor's office.

Now, you are ready to ask questions! Here are some questions to help get you started.

1. What is the name of this medicine?
2. Why am I taking it? What does it do?
3. What are the side effects?
4. When should I start taking it? When do I stop taking it?
5. Can I take this medicine with my other medicines, vitamins and herbal products?

For more information on this topic, please visit the following Web sites:

Administration on Aging
<http://www.aoa.gov>

Center for Drug Evaluation and Research
<http://www.fda.gov/cder>

Pandemic Flu

Pandemic flu is a topic that has been on many peoples' minds lately. When a new flu virus begins making a large number of people sick all over the world, it is called a "pandemic flu." When people have not been exposed to a new virus, their bodies do not know how to protect them from it. A pandemic flu virus is different from "seasonal flu," or the type of flu that occurs during the winter. People may get a flu shot to prevent them from getting seasonal flu. This shot will probably not work against pandemic flu.

Scientists are working on developing a vaccine to protect people against pandemic flu. There are also medicines used to treat seasonal flu that may work against pandemic flu.

One of the most important steps you can take to protect yourself against a possible flu pandemic is to avoid getting sick. Some ways that may help you do this include frequently washing your hands with soap and water, covering your nose and mouth when you sneeze or cough, and staying away from other people who are sick.

For more information on this topic, please visit the following Web sites:

Centers for Disease Control and Prevention

<http://www.cdc.gov/flu/pandemic/>

U.S. Department of Health & Human Services

<http://www.pandemicflu.gov>



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MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions (continued)

Not only did large numbers of beneficiaries enroll; beneficiaries overwhelmingly chose plans that cost less than average. In July 2005, the expected average monthly premium, based on the best estimates of the CMS actuaries was \$37. Based on the actual choices that seniors have made, the average premium that beneficiaries will pay in 2006 is now less than \$24 a month, down from the most recent estimate of \$25. This more than one-third reduction in premiums reflects both strong competition among plans and a response of seniors to these choices showing they were informed and clearly favored lower-cost plans.

By choosing plans that met their needs at a much lower cost than expected, both beneficiaries and taxpayers are saving more than expected. The projected cost of the drug benefit has come down greatly - by 20 percent between the 2005 Trustees Report and the 2006 Trustees Report. Based on the results of the open enrollment process, soon Medicare expects to announce another significant downward revision in estimated Medicare prescription drug costs.

Q: So, when is the best time that a Medicare beneficiary can enroll for the first time in a Medicare Prescription Drug Plan, or change plans if one is currently enrolled but their current plan is not the most appropriate for their needs?

A: Current Medicare beneficiaries who did not enroll in a Medicare prescription drug plan before May 15 will be able to enroll this fall, beginning November 15. This enrollment period will end on December 31 and coverage will begin on January 1, 2007.

This time period, November 15, through December 31 of every year, is called the "annual-enrollment" period, where all current Medicare

beneficiaries have the chance to enroll in a prescription drug plan. For those who are currently enrolled in a prescription drug plan, they have the opportunity to switch plans with no penalty. Keep in mind that coverage will not begin until January 1 of the following year, for enrolling or switching plans during this time period.

Also, for 2006, Medicare beneficiaries can switch plans now up until June 30, 2006 if they already have a Medicare Advantage Plan or other Medicare Health Plan, (a stand alone prescription drug plan) with prescription drug coverage. However, they can only switch to another Medicare Health Plan (a stand alone prescription drug plan) that offers drug coverage. Likewise, through June 30, 2006, if they have a Medicare health plan without prescription drug coverage but want to switch plans, they can only join a plan that doesn't include drug coverage, as again May 15, 2006 was the initial enrollment deadline for enrolling in prescription drug coverage. And again, November 15 through December 31, 2006 is the next time that current Medicare beneficiaries can enroll for the first time in Medicare Prescription Drug coverage, which is the annual-enrollment period.

Now for new Medicare beneficiaries, those just becoming eligible for Medicare, they will be able to enroll in a Medicare prescription drug plan during the seven month period surrounding their eligibility, or birth month. The seven month period is the three months prior to their birth month, the month of and the three months after. The prescription drug coverage will begin the first of the month following the month in which they enroll.

Q: Is it true that those who qualify for the low-income subsidy based on income and resources can enroll in a Medicare Prescription Drug Plan at any time if they missed the May 15 deadline?

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MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions (Continued)

A: Yes, the purpose of this special enrollment period is to make sure that anyone who qualifies for the extra help has an immediate opportunity to be enrolled in a plan and make use of this assistance. The extra help is help with the out-of-pocket prescription drug costs for low-income individuals who qualify.

- This Special Enrollment Period enables these individuals to enroll in a Medicare prescription drug plan as soon as they are found eligible for the extra help.
- If they do not enroll in a plan on their own, Medicare will facilitate their enrollment into a prescription drug plan with a premium below the low-income benchmark, but they will have the opportunity to change plans before December 31, 2006.
- Of the approximately 4.4 million Medicare beneficiaries who do not have secure, quality drug coverage, approximately 3.2 million are estimated to be eligible for the extra help. President Bush announced that enrollment will continue throughout the year for these beneficiaries with limited incomes, with no late enrollment penalty.
- For those who think they may qualify for the low-income subsidy, and have not applied, they should apply as soon as they can. Almost a third of all people with Medicare are eligible - more than 8 million - have already qualified for this extra help.
- With the extra help, most will pay no monthly premiums, no deductibles, and no more than \$5 for each prescription. They would pay very little or nothing for their drugs.

- This extra help in paying for the annual deductibles, premiums and copayments for Medicare prescription drug coverage could be as much as \$2,100 per year for those who qualify.
- One can apply by going to their local Medical assistance office, or by calling the Social Security Administration at 1-800-325-0778.

Q: Some folks have been enrolled in a Medicare Prescription Drug Plan for several or more months and are utilizing their benefits, but the monthly premium the plan charges has not been deducted from their Social Security check as the beneficiary requested. Why?

A: It generally takes two months before premiums are withheld from Social Security benefit payments. So eventually, some folks have or will see two months worth of premiums withheld from their Social Security check. Sometimes however, there may be problems, which could mean that in some cases, it will take three months for the premiums to be withheld. If a delay of more than 3 months occurs, or if your monthly Social Security benefit isn't enough to cover multiple premium payments at once, the premiums won't be deducted from the Social Security benefit payment. The beneficiary will be contacted by the prescription drug plan to see if they want to be billed directly for the monthly plan premiums or if they want the premium to be automatically withdrawn from their checking or savings bank account.

Q: Is there a more recent telephone scheme going on that asks for money for a new Medicare card or a drug plan, and if so, how should I be on the lookout for this scheme so that my loved ones and I are not defrauded?

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Keeping Direct Bill participants informed!



MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions (Continued)

- **A:** Yes, the \$299 fraud scheme in the recent past to defraud seniors and people with disabilities has changed into a higher priced scam involving in some cases a new Medicare card. Today the dollar amount requested by phone callers is usually \$379, but cases have also occurred where the callers asked for \$350, or \$365. These cases that involve attempts to steal beneficiaries' funds have been referred to federal law enforcement officials.
- Medicare beneficiaries can take steps to protect themselves by remembering:
 - It is against Medicare's rules to call a person with Medicare and ask for a bank account or other personal information, or cash payments over the phone.
 - No one can come into one's house uninvited.
 - No one can ask for personal information during their marketing activities.
- Legitimate Medicare drug plans will not ask for payment over the telephone or the Internet. They must send a bill to the beneficiary for the monthly premium.
- Beneficiaries can pay automatically by setting up a monthly withdrawal from their Social Security check. Beneficiaries may also pay by monthly check or set up an automatic withdrawal from a bank account, but beneficiaries must call their plan or respond to a mailed payment from the plan to do this.
- Always keep all personal information, such as your Medicare number, safe, just as you would a credit card or bank account number.
- Whenever you have a question or concern about any activity regarding Medicare, call 1-800-Medicare (1-800-633-4227) or call 1-877-7SAFERX, (1-877-772-3379).
- Legitimate Medicare drug plans will not ask for payment over the telephone or the Internet. They must send a bill to the beneficiary for the monthly premium.

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